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Right to Know
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14th March 2019

Oifig na gCoimisinéirí Ioncaim
Rannóg na Teicneolaíochta Faisnéise &
Cumarsáide agus Lóistíochta
Radharc an Chaisleáin
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Information & Communications
Technology and Logistics Division
Castle View
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Re: FOI request CRMS: 692/2019

Dear Mr. Foxe,

I refer to the request which you made under the Freedom of Information Act 2014 for records held by this body, seeking answers to certain questions relating to illegal good seizures/storage/destruction.

I am the decision maker for Freedom of Information requests relating to the Information & Communications Technology & Logistics Branch in the Revenue Commissioners. I have decided to grant your request for information and have provided answers to question 1, 2, and 3 below as follows:

- 1. A spreadsheet/table giving details of the amount of illegal cigarettes, alcohol, non-compliant meat, other such illegal product seized in each of the following years: 2016, 2017, 2018.**

The details of seizures of illegal cigarettes and alcohol are available to the public in Revenue's Annual Reports. Please see below link.

<https://www.revenue.ie/en/corporate/press-office/annual-report/index.aspx>

Please note that there is a headline overall figure for 2018. The 2018 annual report, which has breakdown figures, will be published in May.

Information relating to non-compliant meat is not held by Revenue, therefore this query would be a matter for the Department of Agriculture.

- 2. A spreadsheet/table giving details of how much was spent on storage of the above in the same period.**

Cigarettes and alcohol that have been seized are stored at the State Warehouse. This facility is sourced by the Office of Public Works (OPW) and therefore rental or associated costs would need to be requested from the O.P.W.

The State Warehouse is used to store other goods in addition to cigarettes and alcohol, therefore the actual cost of storing these items is not available. The overall net cost to Revenue of running the State Warehouse during the period 2016 - 2018, exclusive of rental and other costs incurred by the OPW, is shown in the

Table below. This cost would include employee salaries, collection and transport costs of seized goods, security, cleaning and other day-to-day expenditure.

State Warehouse Costs		
2016	2017	2018
€902,458.97	€889,661.94	€838,262.93

3. A spreadsheet/table giving details of how much was spent on destruction of the above in the same period.

The cost for destruction/disposal of seized alcohol and cigarettes for the years 2016 – 2018 is shown in the table below. The Shredding cost includes the destruction of IPR (Intellectual Property Rights) goods.

Destruction Costs	2016	2017	2018
Alcohol Destruction	€33,150.00	€12,920.00	€16,150.00
Shredding *(incl. Disposal)	€26,306.00	€57,052.50	€27,240.00
Total	€59,456.00	€69,972.50	€43,390.00
*Shredding cost includes but is not limited to cigarettes			

4. Copy of any policy or guidance on the processes to be used when destroying such items.

Please see attached redacted document which outlining the process to be followed when deciding on the destruction/disposal of seized goods.

In relation to question 4, I have decided to partially release this record. I have invoked Sections 32, 36 and 37.

Section 32 states:

(1)(a)(i) of the FOI Act 2014 states that "A head may refuse to grant an FOI request if access to the record concerned could, in the opinion of the head, reasonably be expected to prejudice or impair the prevention, detection or investigation of offences, the apprehension or prosecution of offenders or the effectiveness of lawful methods, systems, plans or procedures employed for the purposes of the matters aforesaid".

Public Interest Test

In relation to above of your request detailed above I have to consider whether the public interest would on balance be better served by granting or by refusing your request. I acknowledge that the FOI Acts provide for certain rights of access to records and also your wish to access the information as set out in your request. I have borne in mind the public's right to open and transparent public administration and the need for accountability on the part, however, I must also consider the harms that disclosure would involve e.g. security of Revenue's internal systems.

Section 36 states:

"(1) ... a head shall refuse to grant an FOI request if the record concerned contains—

(b) financial, commercial, scientific or technical or other information whose disclosure could reasonably be expected to result in a material financial loss or gain to the person to whom the information relates, or could prejudice the competitive position of that person in the conduct of his or her profession or business or otherwise in his or her occupation"

I am satisfied that the records include commercially sensitive information that if released could have a negative impact on the company involved.

Section 37 states:

"(1) Subject to this section, a head shall refuse to grant an FOI request if, in the opinion of the head, access to the record concerned would involve the disclosure of personal information"

This section provides for the protection of records containing personal information held by public bodies against release to individuals other than the person to whom the information relates, unless the release of the records are in the public interest. As personal information is held by Revenue on the understanding that it would be treated as confidential, I believe the right of privacy of an individual outweighs the public interest in disclosing personal information in relation to third parties.

The information enclosed is briefing material only. By definition this means that it does not provide context and often will not give a complete picture of the issue at hand. It is your responsibility to report this material accurately and in its correct context. If you require assistance in this regard, we would advise you to contact our Press Office at revpress@revenue.ie.

In the event that you are not happy with this decision you can make an appeal in relation to this matter. The enclosed document outlines your rights of review and appeal.

Should you have any questions or concerns regarding the above, please contact me by telephone on [REDACTED].

Yours sincerely,

[REDACTED]
Therese O'Hanlon,
FOI Decision Maker

Operational Guidelines

For

The State Warehouse

September 2015

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1. Introduction

As part of Revenue's action plan to implement "Transforming Public Services", and implement a comprehensive Review of Expenditure and Public Service Reform a decision was taken by the Board of the Revenue Commissioners to outsource the services of the State Warehouse. Following the decision a Project Team was put together to oversee the outsourcing. As part of its remit the Project Team sent out separate tenders for the Collection, Storage and Disposal of seized goods. [REDACTED] were successful in their tenders for all three services. Following completion of the work of the Project Board the services of the State Warehouse were outsourced to [REDACTED] in October 2011. As a consequence of the outsourcing the nature and function of Enforcement Officers relating to seized goods has altered in that all seized goods must now be sealed and the details of the seizure entered on [REDACTED] before [REDACTED] collect them for transmission to the State Warehouse.

As part of the outsourcing a group called the State Warehouse Liaison Group was established to act as an interface between Revenue enforcement staff and [REDACTED]. Its main functions are to arrange the collection, oversee the storage, and supervise the disposal, of all seized goods that have been transported to the State Warehouse. In addition to this they will have responsibility for the storage and distribution of the seals used to securely seal the goods before they are handed into [REDACTED] custody and the maintenance of the seal Register on [REDACTED]

2. Goods Inwards.

Prior to the outsourcing of the State Warehouse functions enforcement officers who had seized goods for delivery to the State Warehouse arranged a suitable time and date with warehouse staff to deliver seizures to them. On arrival at the warehouse the goods were checked and the C&E 570 receipted. The goods were then taken by the Revenue staff that were employed in the State Warehouse and securely stored.

Since the outsourcing in October 2011 this function is now carried out by [REDACTED]. Following seizure, all goods must now be counted and placed in sealed bags, crates or pallets. And the details recorded in [REDACTED]. There are two bag sizes for small and medium type seizures and pallets for larger seizures. Special crates are provided for seizures such as alcohol where the product is stored in glass bottles. Stocks of seals are held by the State Warehouse Liaison Unit for distribution as requested.

When the seized goods have been properly packaged and sealed and the details have been recorded on [REDACTED] the seizing station will update the status of the seal to read 'Ready for collection'. It is the function of the State Warehouse Liaison Unit to monitor the quantity of goods for collection from each station and when it is deemed that an appropriate number of seals are ready to justify a collection (ensuring value for money) a collection will be arranged with [REDACTED] using [REDACTED]. To arrange a collection an official in the State Warehouse Liaison Group indicates on the [REDACTED] below

1. The seals to be collected.
2. The date the collection is to be made.
3. The name of the contact officer at the seizing station.
4. Any other details pertinent to the collection.

When the collection is arranged a collection order is then produced and transmitted to [REDACTED]. They organise the collection and deliver the sealed bags to the State Warehouse. Enforcement staff are requested to have the designated goods ready for collection at the agreed time and place.

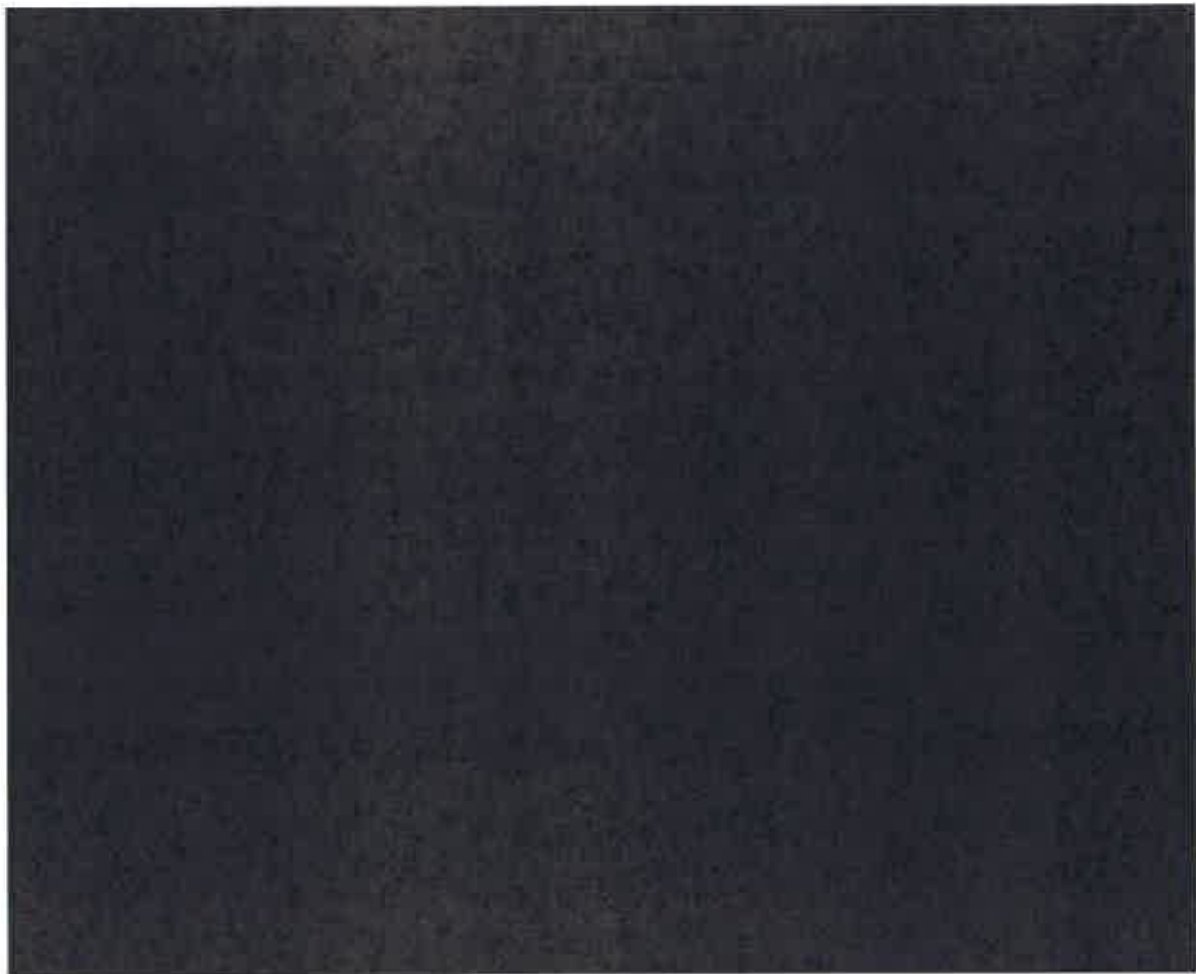


Figure 1 Schedule Collection

An anomaly can occur for a number of reasons. For example a discrepancy can occur where seizing station have not input the details of the collection after [REDACTED] have collected the goods, a seal number on the collection order has not been collected or conversely a seal number not on the collection order is collected. Where a discrepancy has occurred an anomalies report is generated by [REDACTED] after the goods have been scanned into the State Warehouse. It is the responsibility of the State Warehouse Liaison Group to follow up all anomalies and to liaise with both enforcement staff and [REDACTED] to ensure all anomalies are resolved.



Figure 2 Anomalies Report

2.1 Out-of-hours seizures/detentions

On occasion seized/detained goods will come into the State Warehouse as a matter of urgency Inside or outside of normal working hours without the normal recording on [REDACTED] and file transfer to [REDACTED] in advance. These items usually relate to oil laundries and can include tankers, vehicles, equipment, oil product itself. They can be delivered by both [REDACTED] and Enforcement depending on the exigencies of the operation. The Liaison Unit will be advised in advance and arrange the logistics with [REDACTED] who will manually record the incoming goods(Revenue SW Liaison officers were removed from on-call at outsourcing). The official transfer of custody has to be regularised retrospectively with the Enforcement station returning to SW within 48 hours , placing seals on all items, marking/'ready for collection' on [REDACTED] and the Liaison Unit triggering a retrospective collection.

3. Disposals.

On completion of a case Bridgend Prosecutions and Seizures office issue disposal instructions for all goods with the exception of Drugs (Disposal instructions issued by I.P.D. Ashtowngate). When disposal instructions are being issued IPD Bridgend updates the status of the seizures on [REDACTED] to show the goods ready for disposal.

The State Warehouse Liaison Unit monitors the disposals screen on [REDACTED] under the type of items ready for disposal and when they have disposal instructions on a sufficient quantity of goods of a particular type they produce a disposal order and forward it to [REDACTED]. This order shows what goods are to be disposed of and how they are to be disposed of. i.e. through destruction or release. When the disposal order has been issued the State Warehouse Liaison Unit then agrees a time and date for the disposal of the goods with [REDACTED].



Figure 3 Issue Disposal Order (Type)

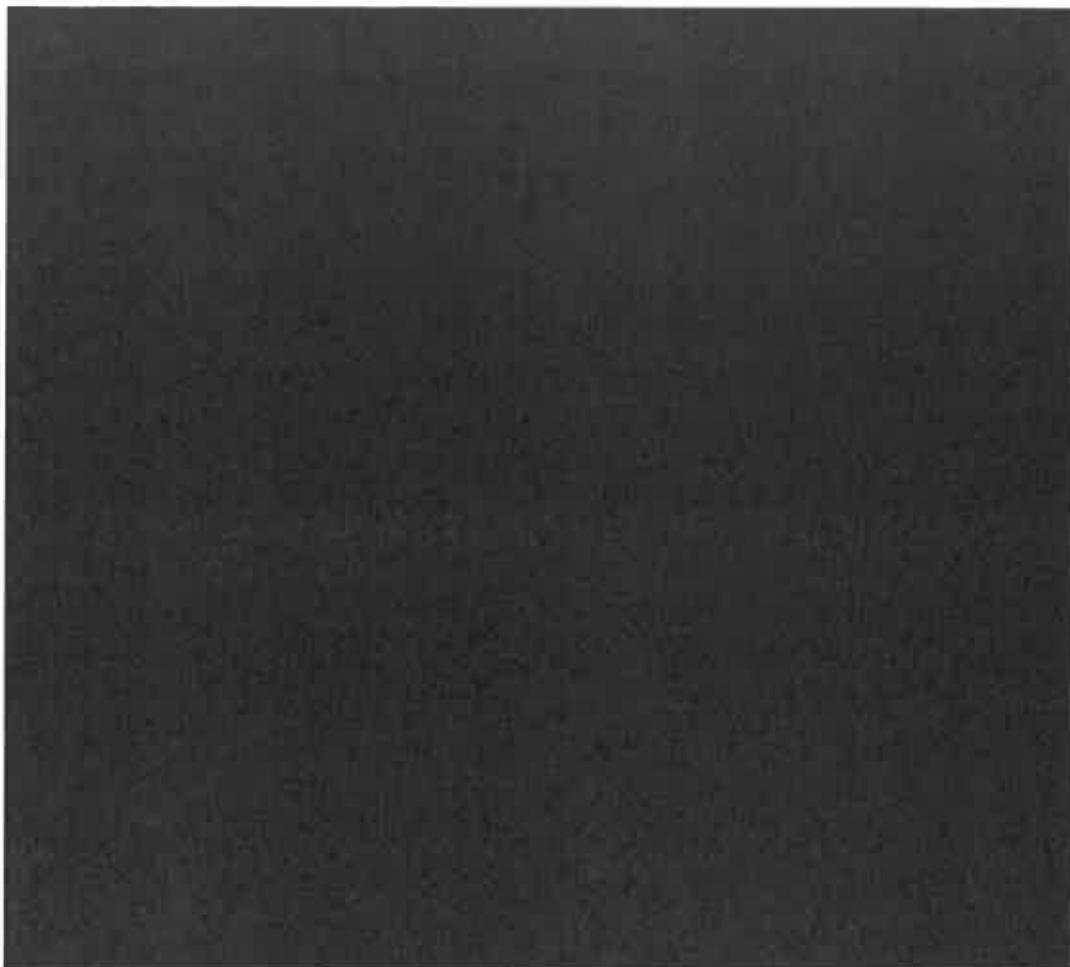


Figure 4 Issue Disposal Order

3.1 Cigarettes/Tobacco

Cigarettes and or tobacco are disposed of in one of two ways either by release to the owner or by destruction.

3.1.1. Release to owner

Where goods are to be released to the owner following a successful appeal instructions to return the goods are given via [REDACTED]. The product is released to the owner on production of a valid I.D. and on signing a form of indemnity.

3.1.2. Destruction

Where a decision is made not to return the goods they are disposed of by destruction. The State Warehouse Liaison Unit monitors [REDACTED] and when they are satisfied that there is a sufficient quantity of cigarettes/tobacco to justify a destruction they prepare and transmit a disposal order to [REDACTED] who schedule a destruction.

The date and time of the destruction is notified to the State Warehouse Liaison Unit who oversee every destruction. The person overseeing the destruction of the tobacco products will accompany the destroyed product to the weighbridge to verify the weight of product destroyed and to ensure that it is properly disposed of.

3.2 Alcohol Products

Alcohol Products are disposed of in one of two ways, release to owner or destruction.

3.2.1.Release to owner

Where goods are to be released to the owner following a successful appeal instructions to return the goods are given via [REDACTED]. The product is released to the owner on production of a valid I.D. and on signing a form of indemnity.

3.2.2.Destruction

Where a decision is made not to return the goods they are disposed of by destruction. The State Warehouse Liaison Unit monitors [REDACTED] and when they are satisfied that there is a sufficient quantity of alcohol products to justify a destruction they prepare and transmit a disposal order to [REDACTED] who schedule a destruction.

The date and time of the destruction is notified to the State Warehouse Liaison Unit who oversee all destructions.

3.2.3.Donation to Charity

The Board of the Revenue Commissioners may occasionally (e.g. at Christmas) sanction the donation of some seized but legitimate alcohol products to a small number of hospices and charitable organisations. A small quantity of wine or spirits may be offered to a hospice or other charitable organisation on a rota basis. If accepted, a member of the liaison team will deliver it to the charity. A receipt is signed by a representative of the charity and countersigned by the team member. Local records are noted accordingly

3.3 Intellectual Property Rights (IPR) Goods(now classified as Abandoned detentions).

IPR goods are usually counterfeit copies of well-known high street brand name goods. They can be clothing, footwear, electronics etc.

Abandoned detentions (IPR goods) enter the State Warehouse already cleared for disposal and do not require further activation on [REDACTED] by Bridgend Prosecutions Office. The Liaison Unit monitor the stock and when a sufficient quantity becomes available trigger a disposal.

IPR goods such as mobile phones, DVD's, clothing, footwear, makeup, perfumes, watches are destroyed by [REDACTED] in the presence of a member of the liaison team.

3.4.Motor Vehicles

The State Warehouse Liaison determine the method of disposal of seized vehicles which are forfeit to the State.

3.4.1. Disposal of Seized Vehicles

On receipt of disposal instructions from Bridgend Prosecutions and Seizures Office for vehicles a number of methods of disposal are considered. The methods considered are prioritised as follows:

- Appropriation to Revenue
- Appropriation to An Garda Siochana
- Sale by Tender
- Sale for Spare Parts
- Sale for Scrap

3.4.2. Appropriation to Revenue

The first consideration after receipt of disposal instructions is to see if the vehicle is suitable for appropriation for use in the Revenue fleet of vehicles. In order for a vehicle to be considered it must meet certain criteria. It must

1. Be less than eight years old
2. Have less than 100,000 miles on the odometer
3. Be in good condition.

In addition to this certain vehicles such as Mercedes, Jaguars, BMW, s are excluded on the instructions of the Commissioner.

A list of Revenue areas seeking vehicles is kept at the State Warehouse. In order to be put on this list the area seeking the vehicle must make a business case that is supported by the Assistant Secretary for the Region/Division.

Once a vehicle is deemed suitable for appropriation to Revenue for its use it is checked against the list held at the State Warehouse and an offer is made to the appropriate area to view the vehicle. Once they have accepted the vehicle the State Warehouse Liaison manager makes a recommendation through the appropriate channels to the Commissioner who authorises the appropriation. After appropriation is authorised the Liaison Unit arrange service, plates CRVT ,

transfer of ownership with Dept of Transport, and arrange payment and processing of any VRT liability(this function was taken over by the Liaison Unit with the closure of VRT offices in Q3 2014). The Revenue area to receive the vehicle arranges collection with the SW and after collection Fleet Management in Castle View are notified and the SW ceases to have any more dealings with the appropriated vehicle.

3.4.3. Appropriation to An Garda Siochana

The next consideration after receipt of disposal instructions is to see if the vehicle is suitable for appropriation for use by An Garda Siochana. In order for a vehicle to be considered it must meet certain criteria. It must similarly

1. Be less than eight years old
2. Have less than 100,000 miles on the odometer
3. Must be in sufficiently good condition to pass the NCT/CVRT

Where vehicles satisfy these criteria, and are not appropriated to Revenue, the Garda Transport Centre is contacted by the manager of the State Warehouse who offers the vehicle to them. The Gardai will then come to the State Warehouse and examine the vehicle to see if it suitable for their needs. If the vehicle is found to be suitable the State Warehouse manager will make a recommendation through the appropriate channels to the Commissioner who authorises the appropriation. After the appropriation is authorised as with Revenue appropriations once the vehicle is collected the SW relinquishes responsibility for the vehicle and it becomes a matter for An Garda Siochana. The Liaison Unit will advise of any VRT liability and will process same before the release of the vehicle.

3.4.4. Sale by Tender

If the vehicle is not deemed suitable for appropriation and it meets the following criteria it is sent out for sale by tender i.e.

1. The vehicle is less than ten years old
2. If the vehicle is in good condition.

When it is decided to put a vehicle out to tender a number of entities that have expressed an interest in tendering for such vehicles are contacted and informed of the availability of the vehicle. A viewing day is organised so that those wishing to tender can examine the vehicle.

After this a specified time is given for valid tenders to be received. The vehicle is sold to the highest bid.

The list of entities who tender for vehicles is open to anyone who expresses an interest in tendering for vehicles as long as they have a tax clearance certificate and are registered for VAT.

After a successful tender is notified and vehicle is collected the monies are brought to account as ROD. If there is VRT liability on the vehicle the entity with the winning tender must pay at time of collection and

The Liaison Unit will also process the VRT element or if the stated intention is to export the vehicle the entity must sign a declaration to provide proof/certificate of export within 30 days,

3.4.5. Sale for Parts/Repair of Low value vehicles

Where vehicles do not fulfil any of the criteria outlined above and are in poor condition but have salvageable parts they are sold for spare parts or repair to a number of garages . In these cases the price for each individual vehicle is negotiated with the garage. It is also a condition that these entities have to have a tax clearance cert before they can purchase any vehicles from the State Warehouse. They must also sign an 'off the road' certificate before vehicle is released from official charge. The 'off the road' certificate is to protect Revenue as the purchaser is acknowledging the vehicle is not in a road worthy condition. Where such vehicles are disposed of the Assistant Principal in charge of the area should ensure that the maximum price is secured for Revenue. Any money obtained is brought to account as per ROD. Additionally if there is a VRT element the purchaser must sign a declaration stating they will either provide End of life Certificate, proof of export or pay VRT within 30 days.

3.4.6. Scrappage of Vehicle

Where vehicles meet none of the criteria set out above and has no salvageable parts a decision is made to scrap the vehicle. This requires having the vehicle crushed in an environmentally friendly manner and an "End of Life" certificate issued. The price obtained for each vehicle scrapped is negotiated with the company and dependent on the size of the vehicle and the fluctuation of prices for scrap metal on the international markets.

3.4.7. Requests for disposal of Vehicle at Local Station

Low Value Vehicles: Where vehicles not meeting the above criteria are held at local stations and it is uneconomical to remove them to the SW they may be disposed of locally with the

agreement of the State Warehouse Liaison Unit. In order for this to happen a request must be received from the HEO in the relevant enforcement area and this request must be approved at Assistant Principal level. The person/entity purchasing the vehicle must be registered for VAT and hold a current Tax Clearance Certificate. They must also sign an 'off the road' certificate before vehicle is released from official charge. The 'off the road' certificate is to protect Revenue as the purchaser is acknowledging the vehicle is not in a road worthy condition.

The ' Off The Road Certificate ' must be sent to the State Warehouse, by the relevant officer for filing.

The State Warehouse Liaison Unit will retain an audit function in relation to the amount of money that the vehicle is realising. The Assistant Principal responsible for the enforcement region where the vehicle was disposed of should also be satisfied that the amount of money realised is reasonable. All monies collected should be brought to account and the appropriate details recorded on [REDACTED]

3.4.8. Vehicles for Scrapping (Locally).

A request to have a vehicle scrapped locally must come from the local enforcement Higher Executive Officer and have been approved by the Assistant Principal. The person/entity must be registered for VAT and hold a current Tax Clearance Certificate regardless of whether monies are realized. They must hold an appropriate permit/licence for the relevant area. Staff should also ensure that vehicles are only offered for Scrappage to entities that can guarantee to dispose of them in an environmentally friendly way.

An ' END OF LIFE CERTIFICATE ', in respect of the scrapped vehicle, must be furnished by the person / entity scrapping the vehicle, to the relevant officer who must forward it to the State Warehouse for filing.

Requests for local disposal of vehicles by enforcement officers should state the current Revenue at risk (RAR) and category of Vehicle for V R T purposes. The request should also contain a Statement to the fact that if the vehicle is Irish Registered that the Irish Plates on the vehicle shows the current and proper registration for the vehicle.

3.5 Oil, Diesel

Seized fuel is disposed of either by sale or removal

3.5.1. Sale by Tender

As with motor vehicles if the fuel is of sufficient quality and quantity to make it viable for sale it is offered for sale by tender. The winning tenderer removes the product from the SW and the monies raised are brought to account as ROD.

3.5.2. Removal

Fuel of sufficiently poor quality is removed from the SW in an environmentally friendly fashion.

4. Other Functions

4.1 Issue of Seals

Seals are sourced by [REDACTED] and delivered to the Liaison Unit. The Range of seals delivered is recorded on [REDACTED]



Figure 5 Add Range of Seals to Register

A supply of seals is held under Revenue control in the State Warehouse. Where a request for seals is received from a station, a member of the State Warehouse Liaison Unit will organise their delivery to the station with the next scheduled collection.

The seal allocation will be recorded on the seals register

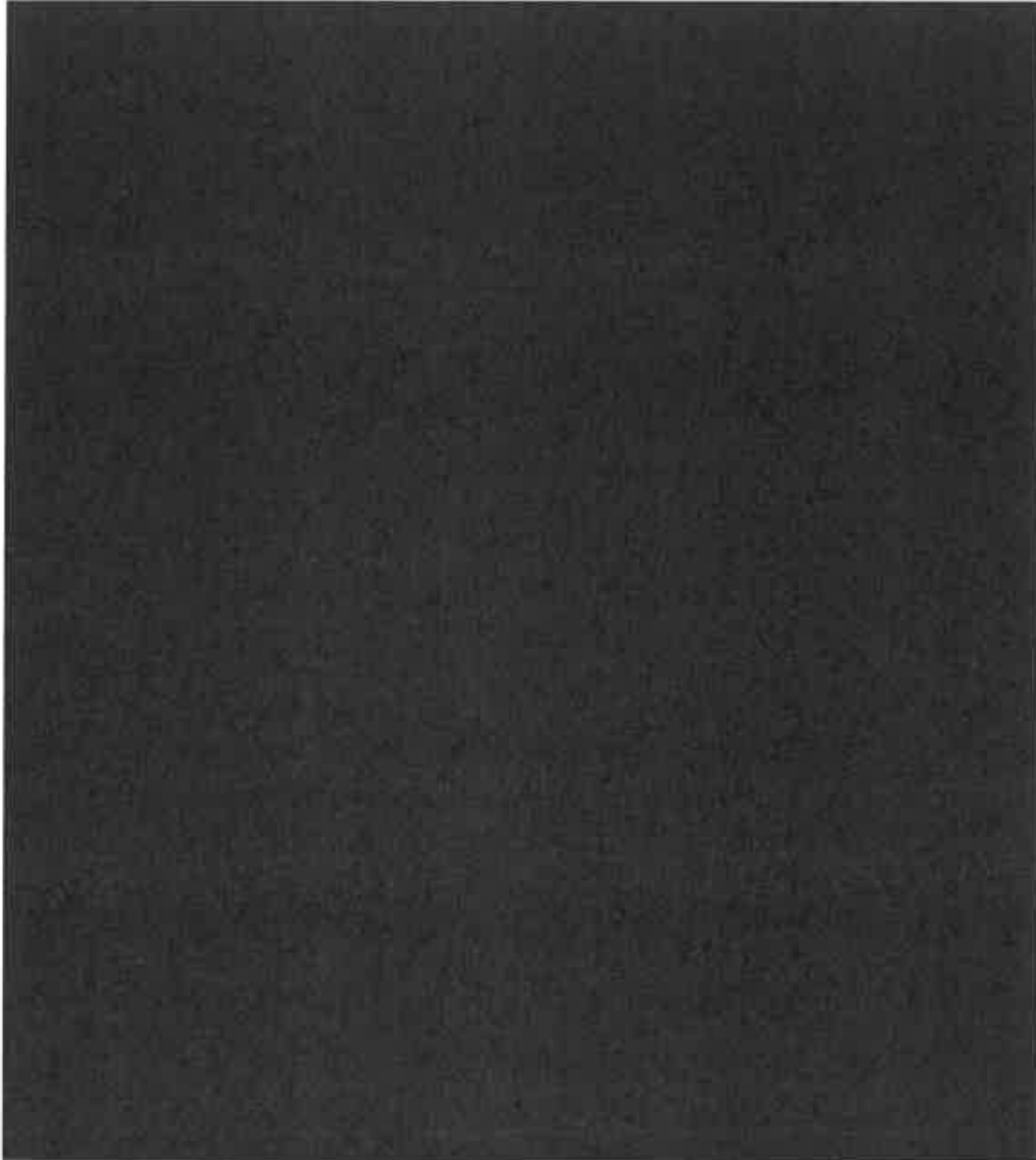


Figure 6 Select Seals for Allocation

The selected seals are then allocated



Figure 7 Allocate Seals

The seals are then recorded as having been allocated to the station

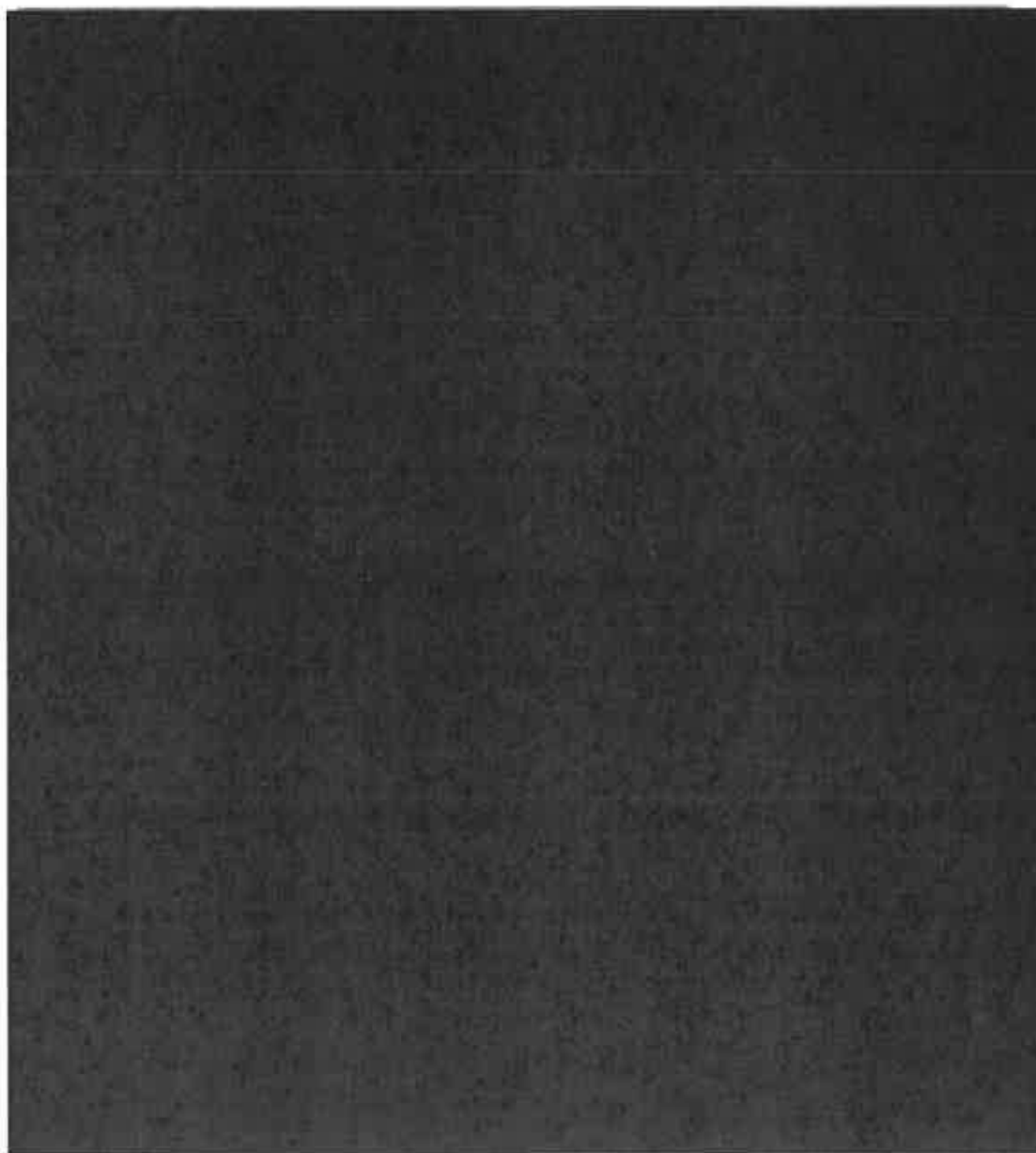


Figure 8 Seals allocated to station

The following details of the seals will be recorded on the seals register on [REDACTED]

1. Type (Bag, Pallet or Container)
2. Range (first to last numbers in the range supplied)
3. Station
4. Date of Issue

The seals are then placed in a bag which itself is then sealed and given to [REDACTED] for delivery to the requesting station. Local enforcement stations are requested to maintain their own record of seal usage.

Any request for bags, pallet covers or crates should be transmitted directly to [REDACTED] as they hold a stock of these.

4.2 Audit

As part of Revenue's contract with [REDACTED] an audit of seizures stored in the state warehouse is to be carried out at regular intervals to ensure that:

1. Seizures entered on [REDACTED] as having been received in the state warehouse are in fact in the state warehouse
2. Seizures where a disposal instruction has issued to [REDACTED] are no longer stored in the state warehouse
3. Items held in the state warehouse are properly entered on [REDACTED]
4. All seals are still properly intact and have not been interfered with.

4.2.1. Seizures on [REDACTED] in the State Warehouse

A number of random seizures should be selected from [REDACTED] and the seal numbers identified. Check that the current status on [REDACTED] is 'Received in the State Warehouse'. Send an instruction to [REDACTED] to locate and make available for examination the seals. Check the seals are all present, show no signs of tampering and the bag or pallet is securely sealed.

4.2.2. Seizures Already Disposed of

Select a number of random seizures from [REDACTED] where Investigations & Prosecutions Division in Bridgend has issued a disposal order. Identify the seal number attached to each seizure and

request from [REDACTED] the location where the seizure was stored in order to verify that the seizure is no longer present.

4.2.3 Random Selections form State Warehouse Stock

Randomly select a number of items from the stock held in the state warehouse. Record the seal numbers of the selected items. Verify on [REDACTED] that the seal numbers selected are attached to a seizure with a current status of 'Received in the SW'.

4.2.4 Outside Yard

Select containers in the State Warehouse storage yard. If container is not sealed and contains seized product make sure any seizures contained within are properly sealed and the seal numbers are assigned to seizures with a current status of 'Received in the SW'.

Check that vehicles in the State Warehouse storage yard have a seal attached to the steering wheel. Take a random sample of seal numbers and verify that the seal number corresponds on [REDACTED] to the correct vehicle and the current status is 'Received in the SW'.

Search for a vehicle with body damage (dent, scratch, damaged glass, chipped). Request the form of inventory completed by the enforcement officer and signed off on by [REDACTED] official at time of delivery to ensure the state of the vehicle is correctly recorded and accepted with no additional damage sustained since delivery to the state warehouse.